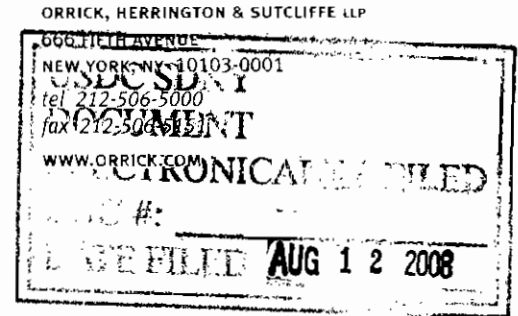
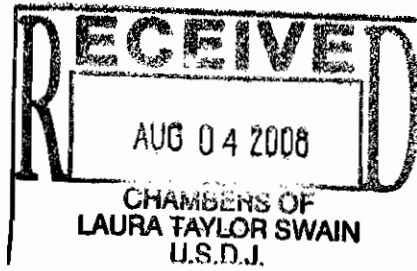




August 1, 2008

BY HAND

Hon. Laura T. Swain
United States District Judge for
the Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street, Room 755
New York, New York 10007-1581



Robert L. Sills
(212) 506-5110
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MEMO ENDORSED

E.T.I. Euro Telecom International N.V. v. Republic of Bolivia et al.,
Civil Action No. 08-CV-4247 (LTS)

Dear Judge Swain:

On behalf of Plaintiff in the above-entitled action, we enclose courtesy copies of the papers filed today by our client, E.T.I. Euro Telecom International N.V. ("ETI"). Specifically, ETI moves for reconsideration and a stay of the Court's July 30, 2008 Memorandum Decision and Order (the "July 30 Order"), by which the Court denied ETI's motion to confirm the Court's May 5, 2008 Order of attachment (the "May 5 Order"). We also write to request, further to ETI's motion for a stay, that the Court defer action on the proposed Order submitted yesterday by Defendant Empresa Nacional de Telecomunicaciones S.A. ("Entel," and the "Proposed Order," respectively). By that Proposed Order, which will be presented to Your Honor on August 6, Entel requests that the Court enter an order directing the Clerk to deliver to Entel's counsel the attached funds that have been deposited with the Clerk.

As Your Honor is aware, on May 5, 2008, Judge Chin entered an ex parte order of attachment in respect of certain of Entel's funds on deposit with three bank branches located in Manhattan. In compliance with the May 5 Order, two of the three banks – Unicredito Italiano S.p.A. d/b/a/ Unicredit S.p.A. and Intesa Sanpaolo S.p.A. d/b/a/ Banca Intesa – deposited a total of \$34,263,617.30 with the Clerk of the Court. By the Proposed Order, Entel seeks to have these funds delivered to Entel's counsel.

As reflected in the attached motion papers, ETI believes that the Court overlooked evidence that goes to the heart of the Court's July 30 Order. Specifically, the Court concluded that the attachment should not be confirmed because "[n]othing suggests that [the attached funds] were in any way earmarked, pursuant to any agreement or law, to entitle Bolivia to their



Honorable Laura T. Swain
August 1, 2008
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contents." July 30 Order at 6. However, as demonstrated in the attached motion, Entel admitted that the attached funds would be used to pay the approximately \$60 million in taxes, interest and penalties that Bolivia has imposed on Entel. See Third Declaration of Lorena Molina executed on June 1, 2008, ¶ 12 ("The freezing of these accounts makes it impossible for ENTEL to satisfy these taxes...."). Accordingly, ETI moves for reconsideration of the July 30 Order and requests that, on reconsideration, the Court confirm the May 5 Order.

In addition to requesting reconsideration, ETI also moves for a stay (1) pending the Court's determination of the motion for reconsideration and, if the Court denies reconsideration or on reconsideration adheres to the ruling in its July 30 Order, (2) pending appeal. All of the requested relief, however, would be rendered moot if the Court were to enter Entel's Proposed Order on August 6.

The enclosed papers include:

1. Notice of Motion; and
2. Memorandum of E.T.I. Euro Telecom International N.V. in Support of its Motion for Reconsideration and for Stay.

Respectfully,

Robert L. Sills

Enclosures

Copies (by email) to
Michael Krinsky, Esq.
Paul S. Reichler, Esq.
Ronald Goodman, Esq.

In light of the reconsideration motion, entry of an order directing release of the funds will be stayed pending resolution of the reconsideration motion and further order of the court.

SO ORDERED.

LAURA TAYLOR SWAIN
UNITED STATES DISTRICT JUDGE